Notes: The dependent variable is the growth rate of real per capita GDP for each of the periods 1965–1975, 1975–1985, and 1985–1995. Individual constants are included in each panel for each period. The log of real per capita GDP and the average years of school attainment are measured at the beginning of each period. Government consumption is measured exclusively of spending on education and defense. The openness ratio is the ratio of exports plus imports to GDP, filtered for the estimated relation of this ratio to country size, as measured by the logs of land area and population. The government consumption ratio, the openness ratio, the ratio of investment (private plus public) to GDP, the inflation rate (for consumer prices), the total fertility rate, and the growth rate of the terms of trade (export over import prices) are period averages. (For the last period, the government and investment ratios are for 1985–1992.) The variable openness ratio × log(GDP) is the openness ratio multiplied by the log of per capita GDP at the start of the period. The rule-of-law index is the earliest value available (for 1982 or 1985) in the first two equations and the period average for the third equation.

Estimation is by three-stage least squares. Instruments are the actual values of the schooling, openness, and terms-of-trade variables, and lagged values of the other variables. The earliest value available for the rule-of-law index (for 1982 or 1985) is included as an instrument for the first two equations, and the 1985 value is included for the third equation. Standard errors are shown in parentheses. The R^2 values apply to each period separately.